IN THE UNITED STATES PATENT AND TRADEMARK OFFICE AS RECEIVING OFFICE

In re Application of: Ponoi Corp.

Authorized

Officer:

Nhu Thuy Tran

Title:

System for Providing Session-

Serial No.:

PCT/US02/08275

Based Network Privacy,

Private, Persistent Storage and Discretionary Access Control for Sharing Private Data

Inter'l Filing Date:

April 19, 2002

File Ref. No.: 14137.0001

STATEMENT EXPLAINING LACK OF INVENTOR SIGNATURE

TO:

Assistant Commissioner for Patents

Box PCT

Washington, D.C. 20231

Attn: RO/US

Sir:

My name is Colin Savage. I am President and CEO of Applicant Ponoi Corp., 81 Franklin Street, Second Floor, New York, New York, 10013. As co-inventor of the claimed invention, "System for Providing Session-Based Network Privacy, Private, Persistent Storage and Discretionary Access Control for Sharing Private Data," for which an international patent application, serial no. PCT/US02/08275, was filed on April 19, 2002, I submit this statement under PCT Rule 4.15(b) explaining the lack of inventor signature for co-inventor Sascha Goldsmith.

During the development of the invention, all three co-inventors, myself, Christopher Petro and Sascha Goldsmith, were employed by Ponoi Corp., an Applicant for purposes of the PCT application. The claimed invention was created and developed on behalf of Ponoi Corp. by each of the three inventors within the scope of his employment, using resources of the corporation. Each inventor has signed a written agreement obligating him to assign such inventions to the corporation. However, approximately two months prior to filing the present international patent application, Mr. Goldsmith left the employ of Ponoi Corp. I have made diligent effort to secure Mr. Goldsmith's signature, including contacting him by telephone and asking him to sign the documents pursuant to the aforementioned written agreement, but he has refused to sign any documents relating to the prosecution of the present international patent application, including the Chapter I Request, Power of Attorney, or Declaration of Inventorship.

Dated: 06.17.02

Colin Savage

President and CEO of Ponoi Corp.

OFFER LETTER

Dear Sascha Goldsmith:

On behalf of Ponoi Corp., I am delighted to confirm our employment offer to you. The details of the offer are as follows:

Position: You will be joining us as Developer, to commence no later than May 1, 2000; you will report to CEO.

Salary: monthly.

You will receive salary at an annual rate of \$80,000, payable semi-

Bonus: You will be eligible for an annual bonus, payable at the discretion of the Company. You must be employed on the bonus payment date in order to be eligible.

Stock Options: Subject to Board approval, you will be granted stock options in accordance with our 2000 Stock Option Plan, and under the terms and conditions of the Notice of Grant and related documents that will be issued to you at the time of the stock option grant, as follows: options for the purchase of 750 shares of common stock, at a purchase price of \$4.00, vesting thirty-three percent (33%) six months from the Vesting Commencement Date and one-fifteenth of granted Options per quarter thereafter, as long as you are employed by the Company.

Benefits: You are eligible for these and all other fringe benefits offered generally to our employees.

Paid Time Off: You are eligible for 15 paid vacation days per year of employment. Vacation does not carry over from year to year. You are also eligible for up to 3 paid sick days and 2 paid personal days per year, which cannot be carried over from year to year.

You should be aware that employment with Ponoi Corp. is for no specific period of time. As a result, either you or Ponoi Corp. are free to terminate our employment relationship at any time for any reason, with or without cause. This is the full and complete agreement between us on this term. Although your job duties, title, compensation and benefits, as well as Ponoi Corp.'s personnel policies and procedures, may change from time-to-time the "at-will" nature of your employment may only be changed in a written agreement signed by you and the President of the Company.

Our employment offer is contingent upon a positive check of your references. In addition, our offer is contingent upon you executing the enclosed Proprietary Information and Inventions Agreement and upon you providing the Company with the legally required proof of your identity and authorization to work in the United States prior to starting work.

To accept this offer, please sign and return this letter and the executed Proprietary Information and Inventions Agreement to me. This offer, if not accepted, will expire on April 30, 2000.

If you have any questions, please call me at (212) 683-8301. I look forward to working with you!

Sincerely,

Colin Savage

CEO

I have read and accept this employment offer.

[Employee's Signature]

Date: Apr 25, 2000

EMPLOYEE PROPRIETARY INFORMATION AND INTELLECTUAL PROPERTY AGREEMENT

I, the undersigned employee, hereby enter into this Agreement ("Agreement") with my employer, Ponoi Corp., a Delaware corporation (referred to hereafter as "Company"), on Are 25, 2000 as a material part of the consideration given in exchange for my employment by Company:

1. Nondisclosure of Proprietary Information. I understand that it is critical to the success of Company that its confidential information not be disclosed or used by any other parties. Therefore, during my term of employment with Company (referred to hereafter as the "Term") and thereafter, I will not use or disclose to any third party any Proprietary Information of Company or its clients, except as may be necessary and appropriate in the ordinary course of my performance of job duties for the Company. "Proprietary Information" of Company or its clients means any verbal, written, documentary or other information of Company or its clients of any kind which has commercial value in Company's or its clients' businesses, including, without limitation, information of a business, planning, marketing, or technical nature, Company's software, client and supplier lists, information regarding clients and/or suppliers, employee compensation and benefit information, pricing and rate information, cost information, profiles and data, databases, database criteria, user profiles, and other information concerning Company's actual or anticipated business.

2. <u>Disclosure and Ownership</u>.

a. I understand and agree that Company is entitled to full ownership and control of all work that I produce in connection with or relating to my job with Company. Therefore, I agree that all intellectual property rights including, without limitation. patents, copyrights, sui generis database rights, trademark rights, trade secret rights, and the like anywhere in the world (referred to hereafter as "Rights") to Work Product (as defined below) made, developed or created by me during the Term, whether or not patentable or copyrightable, and whether made solely or jointly with others, shall be and shall remain the sole and exclusive property of Company, and I hereby assign to Company any and all of my Rights to any Work Product, absolutely and forever. throughout the world and for the full term of each and every such Right, including renewal or extension of any such term, except that Company shall not have Rights, and the assignment in this paragraph shall not be effective as to any Work Product developed entirely outside of work hours and without the use of any Company resources that does not relate to Company's business or proposed business and does not result from any work performed by me for Company. "Work Product" shall include, without limitation, any work of authorship, text, graphic, HTML and other code, database, ad banner, design. audio, video or other file or content, discovery, improvement, invention, trade secret, technology, algorithm, computer program, formula, idea, technique, know-how or data. All copyright-protected Work Product is and at all times shall remain "work made for hire". Any assignment of copyright from me to Company includes all rights of paternity. integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights" (collectively "Moral Rights"). To the extent such Moral

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Rights cannot be assigned under applicable law and to the extent the following is allowed by the laws in the various countries where Moral Rights exist, I hereby waive such Moral Rights. I agree to confirm the foregoing assignments, waivers and consents from time to time as requested by Company.

- b. I agree to promptly disclose to the Chief Executive Officer or President of Company any and all Work Product that I make, develop or create during the Term, or that is conceived or reduced to practice by me during the Term, whether or not patentable or copyrightable, and whether made solely by me or jointly with others. I have attached to this Agreement a complete list of all existing Work Product to which I claim ownership as of the date of this Agreement and that I desire to specifically clarify is not subject to this Agreement, and I acknowledge and agree that such list is complete. If no such list is attached to this Agreement, I represent that I own no such Work Product at the time of signing this Agreement. In order to facilitate my assignment of Rights to Company, I will also disclose to the President or the Chief Executive Officer of Company Work Product conceived, reduced to practice, or developed by me within six (6) months after the termination of my employment with Company, and Company agrees that such disclosures shall be received in confidence (to the extent they are not assigned in Section 2.a above). I will not disclose Work Product covered by Section 2.a to any person outside Company unless I am requested to do so by management personnel of Company.
- Company Materials. I understand that Company possesses and will continue to possess "Company Materials" which are important to its or its clients' businesses. For purposes of this Agreement, "Company Materials" are documents or other media or tangible items that contain or embody Proprietary Information or any other information concerning the business. operations or plans of the Company or its clients, whether such documents have been prepared by me or by others. "Company Materials" include, but are not limited to, computer software. computer disks, tapes, printouts, source, HMTL and other code, flowcharts, schematics, designs. graphics, drawings, ad banners, photographs, charts, graphs, notebooks, customer lists, sound recordings, other tangible or intangible manifestation of content, and all other documents whether printed, typewritten, handwritten, electronic, or stored on computer disks, tapes, hard drives, or any other tangible medium, as well as samples, prototypes, models, products and the like. I understand and agree that all Company Materials shall be the sole property of Company. I agree that during the Term I will not deliver any Company Materials to any person or entity outside Company, except as I am required to do in connection with my job duties. I further agree that, immediately upon the termination of my employment by me or by Company for any reason. or during my employment if requested by Company, I will return to Company all Company Materials, apparatus, equipment and all other physical property of Company in my possession, or any reproduction of such property, excepting only (i) my personal copies of records relating to my compensation; (ii) my personal copies of any materials previously distributed generally to stockholders of the Company; and (iii) my copy of this Agreement. I will also, upon request during or after my employment with the Company, provide to the Company all information, such as passwords and codes, necessary for the use of Company Materials.
- 4. <u>Representations</u>. I hereby represent that my performance of job duties and development of Work Product for Company will not breach any agreement that I have with any third party or violate the intellectual property rights or other rights of any third party. I also

agree that my Work Product will not defame Company, its other employees, officers, directors, consultants or agents or any third party or constitute a violation of the rights of privacy of Company's other employees or any third party. I understand that I am prohibited from using, in the course of my duties for the Company, any confidential or proprietary information of any other person or entity, including my previous employers.

- Restrictions. I understand that, during the Term, I will have access to Proprietary Information regarding Company employees and clients that could be used to solicit them on behalf of other parties. Therefore, during the Term and for one (1) year thereafter, I will not encourage or solicit any employee or consultant of Company to leave Company for any reason. During the Term, I will not engage in any employment, business or activity that is in any way competitive with the business or the proposed business of Company, and will not assist any other person or organization in competing with Company. This restriction applies both during normal working hours and at all other times including, but not limited to, nights, weekends and vacation time, while I am employed by Company. I further agree that I will not solicit any clients or customers of the Company for work of the type provided or offered by Company, on behalf of me or any third party, for a period of one (1) year after my employment with the Company terminates, regardless of the reasons for such termination.
- 6. <u>Post-Termination Obligations</u>. I agree that my obligations under paragraphs 1, 2 and 5 of this Agreement will continue in effect after termination of my employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on my part, and that Company is entitled to communicate my obligations under this Agreement to any future employer or potential employer of mine.
- 7. Miscellaneous. I agree that nothing herein shall affect the at-will nature of my employment under which I can resign or be terminated at any time, with or without cause. I also understand that this Agreement does not purport to set forth all the terms and conditions of my employment, and that as an employee of Company, I have obligations to Company that are not set forth in this Agreement. This Agreement shall be governed by the laws of the State of New York, without regard to its conflict of laws principles. I agree that any dispute arising under or relating to this Agreement will be resolved in the federal or state courts located in the State and County of New York, and I consent to the jurisdiction of those courts. If one or more provisions of this Agreement are held to be illegal or unenforceable under applicable New York law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms.

I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND AND ACCEPT THE OBLIGATIONS WHICH IT IMPOSES UPON ME WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO

ME OTHER THAN AN OFFER OF EMPLOYMENT TO INDUCE ME TO SIGN THIS AGREEMENT. I SIGN THIS AGREEMENT VOLUNTARILY AND FREELY.

| PONOI CORP | EMPLOYEE |
|------------------|-------------------------------|
| Signature: | Signature: |
| | SASENA GOLDSMITS |
| Name: COUN AVAGE | Name of Employee: Apr 25,2000 |
| Title: CEO | Date: |
| 1/ 05 00 | |